

**COMMERCIAL ALCOHOLS
LIMITED**

Eighteenth
**ANNUAL
REPORT**

**FOR THE YEAR ENDING
MARCH THIRTY-FIRST, 1941**

PURVIS HALL
LIBRARIES

JAN 19 1941

MCGILL UNIVERSITY

COMMERCIAL ALCOHOLS LIMITED



DIRECTORS

THOS. ARNOLD, *Chairman*

C. G. KERTLAND, *President*

JOHN IRWIN, *Vice-President*

W. J. HENDERSON

A. LAFONTAINE, K.C.

F. J. MANNING

J. A. WALES



Head Office:

3176 NOTRE DAME STREET EAST, MONTREAL



Transfer Agents:

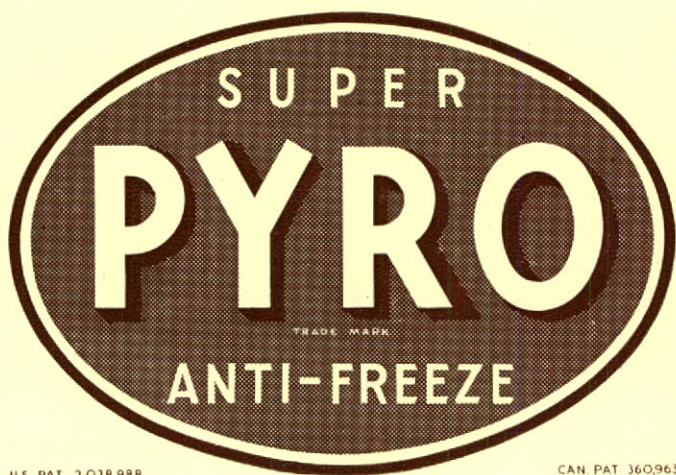
EASTERN TRUST CO., MONTREAL, QUE.



Auditors:

MCDONALD, CURRIE & CO.

*Purchase Your Company's
Products*



U.S. PAT. 2,038,988

CAN. PAT. 360,963

*Super-Pyro has been used
in over 25,000,000 cars with
satisfaction.*

COMMERCIAL ALCOHOLS LIMITED



June 9th, 1941.

To the Shareholders:

Your Directors submit herewith your Company's Eighteenth Annual Report, together with balance sheet as at March 31, 1941, also statement of profit and loss and surplus account for the twelve-month period ending on that date.

During the year dividends amounting to forty cents per share were paid on the preferred shares of the company, and a nominal dividend of ten cents per share was paid on the common shares. Your directors also declared a dividend of fifteen cents per share on the common stock of the company payable May 1st to shareholders of record April 15, 1941.

The net operating profits for the year were \$158,882.87, and after deducting all charges and expenses, management, depreciation, and providing for Dominion and Provincial Income and Excess Profit taxes, the net profits were \$73,514.93, whereas in 1940 your company had a net operating profit of \$152,289.50 and a net profit of \$97,429.54, the decrease this year in net profit being due to the big increase in Income and Excess Profit taxes which amounted to \$48,914.93 compared to \$20,666.87 the previous year.

After disbursing \$39,059.00 in dividends, the earned surplus was increased from \$129,976.48 to \$156,212.09, and the working capital of the company increased from \$233,365.45 to \$261,884.61.

The sum of \$26,677.58 was invested in additional plant and equipment during the year under review. These additions were made to increase the capacity of your company's plants to take care of war orders, and special arrangements have been made with the War Depreciation Board to depreciate this additional plant at an increased rate.

Raw materials required by your company for the coming year are in stock or have been contracted for at favourable prices.

Your company's operations and sales during the year under review were very satisfactory, and the plants are operating at full capacity.

The company's plants and equipment have been well maintained, and are in good condition.

Your directors wish to express their appreciation of the faithful and efficient services rendered by the staff and employees.

Respectfully submitted,

On behalf of the Board,

C. G. KERTLAND,
President.

COMMERCIAL AL

Balance Sheet as at

ASSETS

CURRENT ASSETS:

Cash.....	\$ 50,831.46	
\$5,000.00 Dominion of Canada 3¼% Bonds due 1948-52.....	5,000.00	
Accounts receivable—less reserve.....	78,989.09	
Inventories—finished products, raw materials and supplies—as determined by actual count, weight or measurement, and valued at or below cost.....	195,952.65	
	330,773.20	
Containers on hand.....	12,271.10	\$343,044.30

PREPAID EXPENSES..... 8,954.69

FIXED ASSETS:

Buildings, plant and equipment—at cost..... 395,126.54

RIGHTS AND CONTRACTS..... 113,652.09

APPROVED ON BEHALF OF THE BOARD:

THOMAS ARNOLD
C. GORDON KERTLAND } *Directors.*

\$860,777.62

AUDITORS' REPORT TO

We have examined the books and accounts of Commercial Alcohols Limited for explanations which we have required.

Subject to the final determination of the company's liability for income and Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state tions given to us and as shown by the books of the company.

Montreal, 20th May, 1941.

COHOLS LIMITED

31st March, 1941

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued charges.....	\$ 24,909.54	
Provision for taxes, including Dominion and Provincial income taxes and excess profits taxes.....	51,250.15	
Preferred dividend payable.....	5,000.00	\$ 81,159.69

RESERVE FOR DEPRECIATION OF FIXED ASSETS	189,598.84
--	------------

CAPITAL AND SURPLUS:

Preferred Stock—

Authorized, issued and fully paid—50,000 8% cumulative convertible redeemable shares of a par value of \$5.00 each.....	\$250,000.00
---	--------------

Common Stock—

Authorized:

400,000 shares without nominal or par value

Issued and fully paid:

188,280 shares at 31st March, 1940..	\$178,602.00
5,205 shares issued for cash, under employees' stock subscription plan.....	5,205.00

193,485 shares at 31st March, 1941.....	183,807.00
---	------------

Earned Surplus—

as per attached statement.....	156,212.09	590,019.09
--------------------------------	------------	------------

On 31st March, 1941, a dividend of 15 cents per common share was declared payable on 1st May, 1941, to shareholders of record of 15th April, 1941.

CONTINGENT LIABILITY—in respect of containers in hands of customers if returned within ninety days of shipping date.....

\$860,777.62

THE SHAREHOLDERS

the year ended 31st March 1941, and we have obtained all the information and excess profits taxes by the Department of National Revenue, in our opinion the above of the company's affairs, according to the best of our information and the explana-

MCDONALD, CURRIE & CO.

Chartered Accountants.

COMMERCIAL ALCOHOLS LIMITED



GENERAL STATEMENT OF INCOME AND EXPENDITURE For The Year Ended 31st March, 1941

NET OPERATING PROFIT—before the following deductions.....		\$158,882.87
Salaries and fees paid to executive officers.....	\$13,401.67	
Fees paid to other directors.....	1,080.00	
Legal fees.....	290.21	14,771.88
		\$144,110.99
Provision for depreciation.....	21,681.65	
		\$122,429.34
Provision for Dominion and Provincial income and excess profits taxes.....	48,914.41	
NET PROFIT.....		<u>\$ 73,514.93</u>

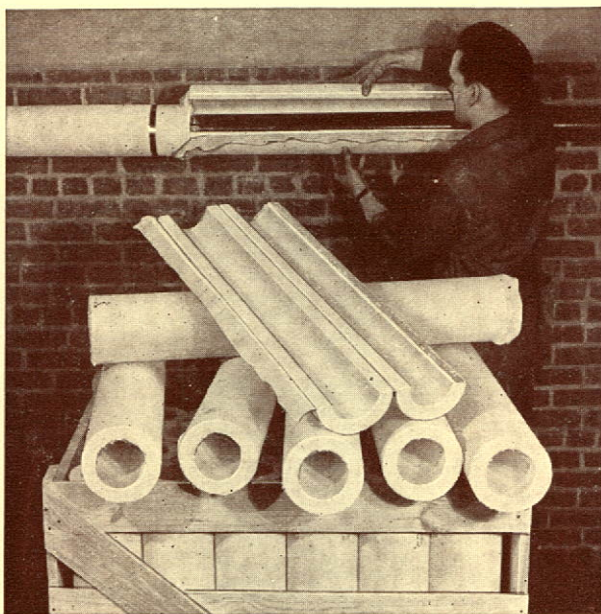
STATEMENT OF EARNED SURPLUS For The Year Ended 31st March, 1941

BALANCE AT CREDIT—31st March, 1940.....		\$129,976.48
DEDUCT: Income and excess profits taxes applicable to prior periods...	8,220.32	
		\$121,756.16
ADD: Net profit for the year.....	73,514.93	
		\$195,271.09
DEDUCT: Preferred dividends paid and payable.....	\$20,000.00	
Common dividend paid.....	19,059.00	39,059.00
BALANCE AT CREDIT—31st March, 1941.....		<u>\$156,212.09</u>

COMMERCIAL ALCOHOLS LIMITED

85% Magnesia

THE EFFICIENT INSULATION
for POWER PLANTS • BOILERS
TURBINES • STILLS *and* CONDUITS



IN ALL STANDARD SHAPES AND SIZES

Produced in the form of
PIPE COVERING • BLOCKS
SEGMENTS • CEMENT

COMMERCIAL ALCOHOLS LIMITED



Comparative Statement

of

INCOME AND SURPLUS ACCOUNT

for the

Years ended 31st March

	1941	1940	1939
NET OPERATING PROFIT.....	\$158,882.87	\$152,289.50	\$121,423.02
LESS: Executive salaries and fees....	13,401.67	14,420.00	14,380.00
Directors' fees.....	1,080.00	940.00	960.00
Legal fees.....	290.21	95.00	412.10
Depreciation.....	21,681.65	18,738.09	17,075.29
Income taxes.....	48,914.41	20,666.87	15,504.23
NET PROFIT.....	73,514.93	97,429.54	73,091.40
LESS: Preferred dividends.....	20,000.00	20,000.00	20,000.00
	53,514.93	77,429.54	53,091.40
LESS: Common dividends.....	19,059.00	17,911.50	—
	34,455.93	59,518.04	53,091.40
Previous Surplus.....	129,976.48	66,093.06	14,331.48
Reserve for containers.....	—	—	4,490.11
Adjustment prior period.....	—	4,365.38	—
	164,432.41	129,976.48	71,912.99
LESS: Taxes prior periods.....	8,220.32	—	5,819.93
EARNED SURPLUS.....	<u>\$156,212.09</u>	<u>\$129,976.48</u>	<u>\$ 66,093.06</u>

WORKING CAPITAL:

CURRENT ASSETS.....	\$343,044.30	\$267,119.91	\$201,149.35
CURRENT LIABILITIES.....	81,159.69	33,754.46	28,305.69
WORKING CAPITAL.....	<u>\$261,884.61</u>	<u>\$233,365.45</u>	<u>\$172,843.66</u>

